

**California Health and Human Services Agency
Office of Systems Integration
P.O. Box 138014
Sacramento, California 95813-8014**

Date: June 12, 2007

**Subject: Addendum #1 for RFP OSI-0530-204,
Request for Electronic Benefit Transfer (EBT) Services**

To: All Bidders

This transmittal letter is in reference to Addendum #1 to RFP OSI-0530-204. All Request for Proposal (RFP) sections and appendices updated by Addendum #1 are posted to the EBT Project website at: www.ebtproject.ca.gov. A copy of this transmittal letter is also on the website. RFP sections and appendices updated by this addendum are identified by addendum number and date. Those sections and appendices which remain unchanged will continue to show the original RFP release date of May 4, 2007. All RFP sections, appendices, and the transmittal letter are provided in Portable Document Format (PDF). The PDF version is the official copy. Modified, deleted, and new text appears as tracked changes with a vertical line in the margin of the page.

The following are major changes included in Addendum #1:

RFP Section/ Appendix	Change(s)
1	<ul style="list-style-type: none"> Modified date of Last Day to Submit to Protest of Requirements to June 20, 2007. Added time (2:00 p.m. Pacific Time) to last day to submit protest of notification of intent to award in Table 1.2, Key Action Dates.
2	Added language to Section 2.2.5 stating the state's intent to not negotiate contract terms and requirements after submission of final proposals.
3	None
4	None
5	<ul style="list-style-type: none"> Modified language and requirements related to the DVBE incentive program. Requirements B15, B16, B19, and B20 have been deleted.

RFP Section/ Appendix	Change(s)
	<ul style="list-style-type: none"> Added language to Section 5.9 stating the state's intent to not negotiate RFP requirements or contract terms and conditions after submission of final proposals. Modified instruction on "Directly Related Experience" on Exhibit 5.8, Staff Reference Form. Clarified instructions on reference contact information on Exhibit 5.8, Staff Reference Form.
6	<ul style="list-style-type: none"> Transition workplan: Changed reference in requirement #46 from "using the state-provided workplan template" to "using the instructions" in the Schedule Management Plan. Account status: Revised description of account status and modified definition of an active account in Section 6.4.1. Tracking unmatched or unlinked benefits: Modified requirement #60 to refer to benefits where there is no matching SUID. Performance monitoring: Modified all reference to weekly monitoring to monthly monitoring. Requirements #77, #196, and #199 are affected. Repair and replacement of equipment: Modified requirement from 32 hours to two (2) business days. Requirements #318, #349, and #638 are affected. Cash access capacity calculations: Modified requirements that refer to a "maximum cash back amount." Requirements #354, #355, #356, and #357 are affected. Cash access proximity calculations: Added requirements #361.1 and # 361.2 to define proximity. Cash access plans: Modified requirement #372 to allow for a cash access plan at the state's request and modified requirement #374 to include known non-FNS retailer cash-back data in the cash access plan. System Security, Information Security Incidents: Modified requirement #505 and added requirements #505.1 and 505.2 to further breakdown requirements for notification of information security incidents. File Transfer timeframes: Modified timeframe for submitting files from 9:00 p.m. Pacific Time to 11:00 p.m. Pacific Time. Requirements #522, #536, and #537 and are affected.

RFP Section/ Appendix	Change(s)
	<ul style="list-style-type: none"> • Batch benefit file transmission capacity: Modified benefit file transmission capacity in requirement #534 from 20,000 records per minute to 500 records per minute. • Clarification of calendar versus business days: Added the term “business” to requirements. Requirements #541, #542, and #707 are affected. • Clarification of when functional demonstration is to occur. Added that the functional demonstration must occur before user and federal acceptance testing. Background text in 6.24.1 and requirement #546 are affected. • EBT-only POS profile load: Modified requirement #584 that the load must enable compliance with applicable ISO and Quest[®] Operating standards. • EBT-only POS device deployment: Modified requirement #599 to refer to deployment of EBT-only devices to all FNS-authorized retailers who request them. • Disaster cards: Added requirement #671.1 for secure boxing and taping of disaster cards and requirement #671.2 relative to instructions in each box. • Shipment of disaster cards: Modified requirement #678 to ship cards within twelve (12) hours, seven (7) days a week. • Reports: Added data elements for reporting requirements #723, #729, and #760. • Archive report requests: Modified delivery timeframes in requirement #786 and #787. • Automated deficiency management solution, user IDs: Added requirements #805.1 and #805.2 on user IDs. • Notification of move of change to test system: Reduced notification timeframe from five (5) days to one (1) day in requirement #833. • System testing results: Modified requirement #836 to refer to providing results of testing based on test scripts. • Deleted Requirements: #362, #373, #582, #605, #624, #644, #773, and #774.
7	Added Unanticipated Costs line item to Exhibit 7.1, EBT Costs.
8	Corrected reference on approach to transition from requirement #B66 to requirement #B67 in Section 8.4.10.

RFP Section/ Appendix	Change(s)
9	Deleted reference to level of DVBE participation and Table 9.13, DVBE Participation Incentives, and added language instructing bidders to achieve three (3) percent DVBE participation or conduct a Good Faith Effort.
10	None
Appendix A	<ul style="list-style-type: none"> • Definition of Charges: Added reference to Exhibit B in the contract. • Invoices: Adjusted terms in section 4.2 and added progress payment schedule for transition costs. • Warranties: Added language to section 10.1 on additional warranties. • Withholds: Added language to section 11.3 on unreasonably holding or delaying acceptance of deliverables or service and withhold amounts. • Performance measurement period: Modified all references from weekly to monthly in Section 11.4.4.6. • Liquidated damages amounts: Adjusted liquidated damages amounts to reflect monthly damages in Table 1, Transaction Processing Platform Uptime Availability, and Table 3, Customer Service ARU Performance Liquidated Damages. • File Transfer timeframes: Modified timeframe for submitting files from 9:00 p.m. Pacific Time to 11:00 p.m. Pacific Time in Section 11.4.4.6.6. • Indemnifications: Added language on contractor liability for the cost of notifications required as a result of a security breach. • Termination of conveniences: Added reference to 30-day notice to contractor in Section 19.6.
Appendices B-O	None

All other RFP requirements and contract terms and conditions remain the same.

The changes included in this addendum are significant and should be considered by bidders as they prepare their draft proposals.

Sincerely,

(Original signature on file)

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